

Hawaii Economic Update

September 20, 2016

Summary

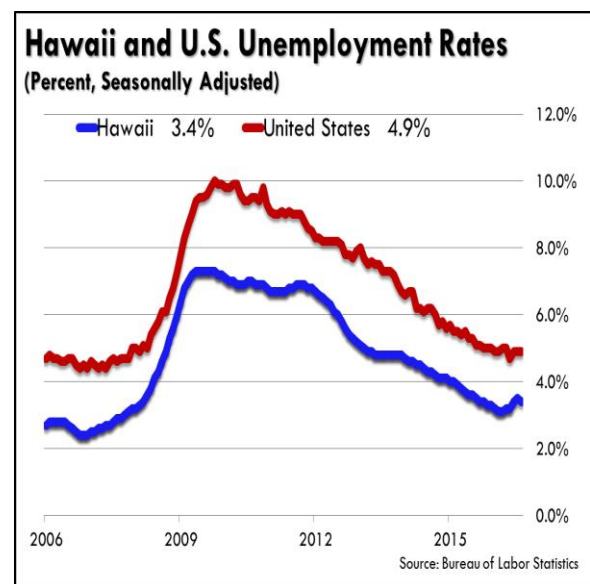
Nonfarm payroll employment in Hawaii increased by 1,100 jobs, and the unemployment rate fell to 3.4 percent in August according to data released by the Bureau of Labor Statistics (BLS).

Hawaii Unemployment Rate

During August, the unemployment rate in Hawaii declined by 0.1 percentage point to 3.4 percent. The number of people counted as unemployed fell by 153 in August to 23,547, while the labor force grew by 139 to 684,431. Among the 50 states and the District of Columbia, only 5 posted lower unemployment rates. A year earlier, the unemployment rate in Hawaii stood at 3.5 percent.

The 10-year peak for the unemployment rate in Hawaii was 7.3 percent in October 2009. The series high for the unemployment rate in Hawaii occurred in January 1976 when the unemployment rate reached 10.4 percent. The 10-year low for the unemployment rate was 2.4 percent in December 2006. This also represents the series low for the unemployment rate in Hawaii. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in August. August's unemployment rate was 0.2 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Hawaii Payroll Employment

Hawaii nonfarm payrolls increased by 1,100 jobs, or 0.17 percent, on a seasonally adjusted basis during August. In the prior month, nonfarm payrolls declined by 900. Over the past 12 months, nonfarm payrolls in Hawaii increased by 10,800, or 1.69 percent. Hawaii nonfarm payroll employment has increased in 9 of the past 12 months.

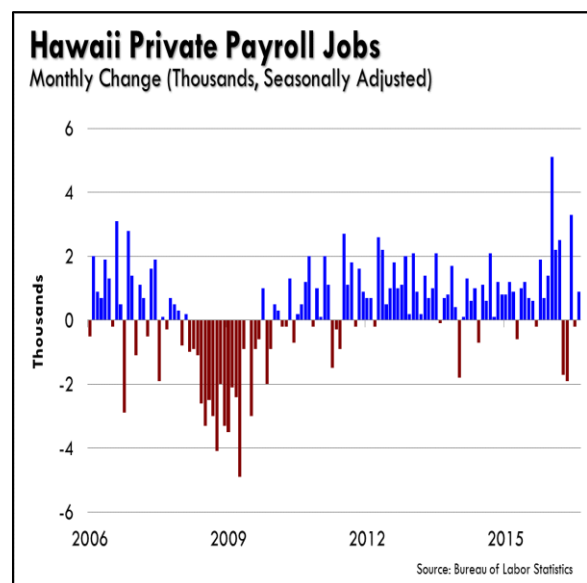
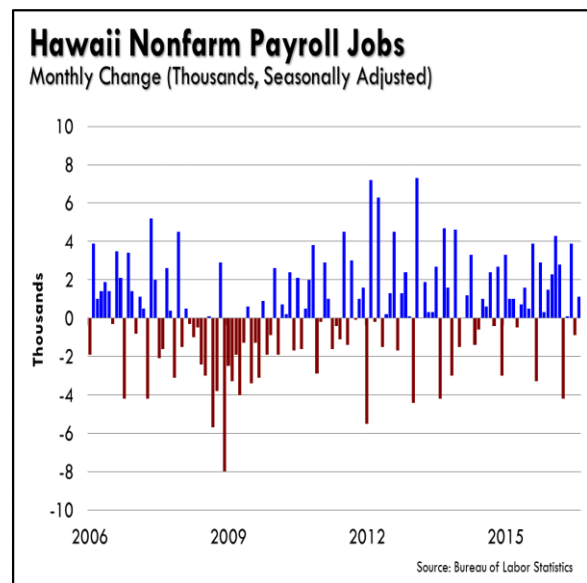
Nationally, nonfarm payrolls increased by 151,000 jobs in August, or 0.1 percent. Over the 12-month period ending August 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Hawaii ranks 24th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During August, Hawaii private-sector payrolls increased by 900, or 0.17 percent. Private-sector payrolls declined by 200 jobs in the prior month. Over the past 12 months, private-sector payrolls in Hawaii increased by 14,000, or 2.74 percent. Hawaii private-sector payroll employment has increased in 8 of the past 12 months.

Nationally private-sector payroll jobs increased by 126,000 jobs in August, or 0.1 percent. Over the past 12 months, the nation's economy has added 2,283,000 jobs in the private sector, an increase of 1.9 percent. Hawaii ranks 10th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

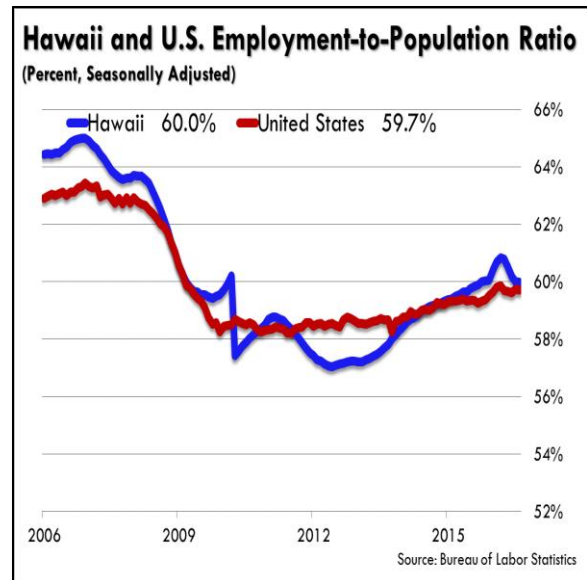
During August, total government payroll employment in Hawaii increased by 200, or 0.16 percent. Federal government payroll employment increased by 100, or 0.30 percent. State government payroll employment increased by 300, or 0.41 percent, while local government payroll employment declined by 200, or 1.05 percent.

Over the past year, total government payroll employment declined by 3,200, or 2.47 percent. State government payroll employment declined by 3,800, or 4.91 percent. Local government payroll employment declined by 100, or 0.53 percent.



The best performing sectors on a seasonally adjusted basis during August were Professional & Business Services (+1,200) and Total Government (+200). The poorest performing sectors during the month were Leisure & Hospitality (-300) and Other Services (-200).

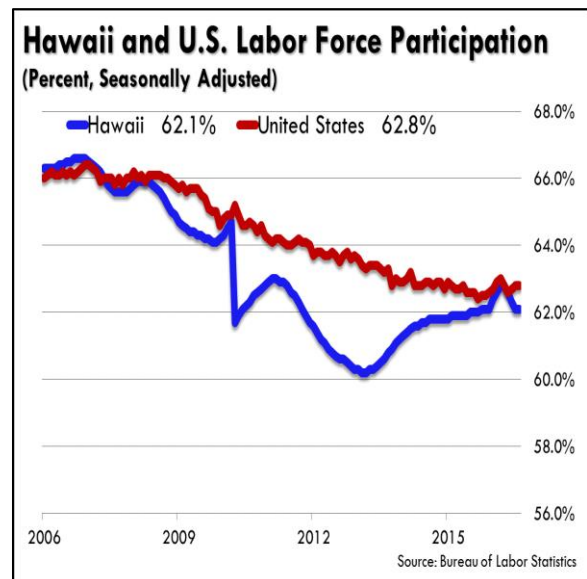
The best performing sectors during the last twelve months were Logging, Mining & Construction (+4,300) and Leisure & Hospitality (+4,300). The poorest performing sectors during the last twelve months were Total Government (-3,200) and Trade, Transportation & Utilities (-600).



Other Hawaii Labor Force Statistics

The labor force participation rate in Hawaii was unchanged at 62.1 percent in August. Among the 50 states and the District of Columbia, 34 have a higher labor force participation rate than Hawaii. The labor force participation rate in Hawaii is 0.1 percentage point higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Hawaii was 66.6 percent in December 2006. The series high for the labor force participation rate in Hawaii occurred in January 1976 when the labor force participation rate hit 69.9 percent. The 10-year low for the labor force participation rate was 60.2 percent in March 2013. This also represents the series low for the labor force participation rate in Hawaii.



The national labor force participation rate was unchanged at 62.8 percent, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Hawaii civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 60.0 percent in August. Among the 50 states and the District of Columbia, 28 have higher

employment-to-population ratios than Hawaii. The employment-to-population ratio in Hawaii is 0.2 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Hawaii was 65.0 percent in December 2006. The series high for the employment-to-population ratio in Hawaii occurred in May 1991 when the employment-to-population ratio hit 67.3 percent. The 10-year low for the employment-to-population ratio was 57.0 percent in June 2012. The series low for the employment-to-population ratio occurred in July 2012 when the employment-to-population ratio was 57.0 percent.

The national employment-to-population ratio held steady at 59.7 percent in August. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for September is scheduled for release on October 21, 2016. The national employment situation report for September will be released on Friday, October 7, 2016.